



DEPARTMENT OF HEALTH & HUMAN SERVICES

Substance Abuse and Mental
Health Services Administration

Center for Mental Health Services
Center for Substance Abuse
Prevention
Center for Substance Abuse
Treatment
Rockville MD 20857

December 6, 2006

Dear Grantees,

As we transition into a new calendar year, and in advance of your continuation applications, I have been asked to remind all grantees of the importance of complying with match requirements and adhering to requirements of the Office of Management and Budget (OMB) Circular A-133 related to Federal Audits.

Match Requirements

Grantees in the Comprehensive Community Mental Health Services for Children and Their Families Program (CMHI), with respect to the costs incurred in carrying out the purpose of the Guidance for Applicants (GFA), must make available non-Federal contributions toward such costs in the following amounts:

- (a) For the first, second and third fiscal years for which the entity receives payments, the non-Federal contribution is not less than \$1 for each \$3 of Federal funds provided in the grant;
- (b) For the fourth fiscal year, the non-Federal contribution is not less than \$1 for each \$1 of Federal funds provided in the grant; and
- (c) For any fifth and sixth fiscal year, the non-Federal contribution is not less than \$2 for each \$1 of Federal funds provided in the grant.

Note: If a grantee requests carryover of funds from a previous year, the grantee is required to match these funds based on the year the money is carried into. For example, if the grantee is requesting to carryover money from year four to year five, the federal dollars must be matched at the rate for year five.

In 2004, the Bazelon Center for Mental Health Law drafted a document, "Matching for Sustainability: A Guide for Communities Sponsoring Systems of Care for Children with Serious Mental Disorders and Their Families" that provides guidance about how to meet match requirements and how to use match as a strategy for sustainability. A copy of this document is being provided to you as a technical assistance resource.

It is critically important that grantees identify sources of non-Federal contributions, and that this information be provided as part of your continuation application. It is also critically important that grantees are able to document their ability and success in meeting the non-Federal match requirements, and that the audit required in OMB Circular A-133 demonstrate compliance with this legislative stipulation.

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In addition, Project Officers are now required to ask about the grantee's ability to produce documentation on matching dollars during all Federal site visits, which occur at least during the second and fourth years of the CMHI cooperative agreement.

Federal Audit Requirements: OMB Circular A-133

As stated in OMB Circular A-133, non-Federal entities that expend more than \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) in Federal awards are required to have a single or program specific audit conducted for that year. The report of the audit must be submitted within 30 days after receipt of the auditor's report or within 9 months after the end of the audit period (whichever is earlier), and the report must be submitted to the Federal Clearinghouse designated by the OMB.

For your information, the actual OMB Circular can be found at the following web address:

http://www.whitehouse.gov/omb/circulars/a133_compliance/06/06toc.html.

Information about Federal Audit Requirements and the Federal Clearinghouse can be obtained at the following web address: <http://harvester.census.gov/sac/>, or by calling 1-800-253-0696. The address for the Federal Clearinghouse is:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

I want to thank you for your continued efforts to provide services to children and youth with serious mental health needs and their families. I also appreciate your attention to the legal and statutory requirements of this grant program. If you have any questions, please contact your Project Officer.

Very truly yours,

A handwritten signature in black ink, reading "Gary Blau, Ph.D.", followed by a vertical red line.

Gary M. Blau, Ph.D.
Chief
Child, Adolescent and Family Branch
Center for Mental Health Services

